



2023 Tax Transparency Report





**As Australia's
most affordable
supermarket,
ALDI remains
committed
to providing
everyday low
prices to our
customers.**

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Foreword

We are pleased to present ALDI Australia's 2023 Tax Transparency Report.

ALDI's contribution to Australia

ALDI Australia's operating philosophy is based on three clear values: simplicity, responsibility, and consistency. This is reflected in the way we interact with our people, our customers, our business partners, the communities in which we operate and the environment. We are committed to doing the right thing in every aspect of our operations.

ALDI Australia operates more than 590 stores in six states and territories, directly employing more than 16,700 people.

We have an Australia-first sourcing approach, working with more than 1,000 Australian business partners, and these partnerships represent the most significant component of our contribution to the Australian economy.

To remain competitive and continue to service our customers with the best quality products at the lowest prices, we are focused on efficiency and finding more modern ways of operating.

In line with our values, we approach our Australian Tax contributions with transparency and honesty, adopting stringent processes to ensure our tax obligations are fulfilled accurately and all relevant financial documentation is fully disclosed to the Australian Tax Office (ATO).

At ALDI, our approach to tax management focuses on ensuring full compliance with all regulatory obligations and maintaining transparency with tax authorities. We maintain robust tax governance and risk management practices, and are proud to have achieved a Stage 3 Tax Governance Rating from the ATO with regard to both income tax and GST, being the highest rating achievable. This means we have demonstrated to the ATO that our tax control framework is designed effectively, and is also operating as intended.

ALDI supports the Voluntary Tax Transparency Code and has prepared this report on a voluntary basis to enhance the community's understanding of our compliance with Australia's tax laws. This report is in addition to the tax information we report to the ATO on an ongoing basis.

This report covers the year ending 31 December 2023.



Alex Richards

Managing Director —
Finance and Administration
ALDI Australia



Basis of Preparation



This report discloses details of the total taxes paid and collected on behalf of Australian Government authorities by ALDI Australia, in accordance with taxation laws, regulations and guidance.

Reference in this report to “ALDI Australia”, “we” and “our”, are reference to ALDI Foods Pty Limited, ALDI Pty Limited, their wholly owned subsidiaries, and ALDI Stores (A Limited Partnership).



All payments to governments are stated in Australian dollars.

This report has been prepared in accordance with the requirements of the Board of Taxation’s Tax Transparency Code. Specifically, it provides the necessary disclosures

and information to address the minimum requirements of Part A and Part B for large businesses, as set out in the Code.

The tax reconciliations and effective tax rate disclosures in this report have been prepared having regard to the draft guidance developed by the Australian Accounting Standards Board (‘AASB’) to assist companies in meeting the Tax Transparency Code recommendations.

This report has been prepared based on data recorded in our financial systems, being the same data and financial systems used to prepare our financial statements for the same period.

All data, unless otherwise stated, is prepared for the year ended 31 December 2023 (‘2023’ or ‘FY23’), and the comparative year ended 31 December 2022 (‘2022’ or ‘FY22’). Total tax contributions are calculated in accordance with the measurement and recognition principles of Australian Accounting Standards adjusted for when cash is paid, or received, by ALDI Australia.

Tax Governance and Strategy

ALDI's approach to tax planning

ALDI is committed to complying with all relevant tax legislation that applies to its associated operating jurisdictions.

Tax positions that are considered aggressive will not be supported by ALDI under any circumstances. ALDI mandates that for all tax matters that are contentious in nature or where the interpretation of the law is unclear, an opinion from an external advisor is to be sought and a conservative approach taken.

ALDI's tax policy and governance

ALDI understands the need for robust tax policy and governance measures within its organisation. As such, ALDI has developed a Tax Risk Management Framework (the Framework) which summarises ALDI's overall approach to tax and is used to ensure the business is fully compliant with all tax affairs. The Framework sets out the appropriate processes and procedures approved by ALDI's Statutory Directors to be followed in identifying and managing taxation risks in accordance with established thresholds. More specifically, ALDI has a very low tolerance for errors in tax compliance and processes.

The Framework has been designed to align with the ATO's 'Tax Risk Management and Governance Review Guide' and covers the following six key elements that ensure ALDI continues to achieve the highest standard in all respective areas of tax governance.



1. Tax Risk Tolerance & Actions
2. Roles and Responsibilities
3. Management of Key Tax Processes
4. Tax Risk Monitoring and Reporting
5. Training and Awareness
6. Noncompliance with the Framework

The Framework requires all tax risks to be escalated to the Tax Director and the experienced professionals in the Tax team, and ultimately to ALDI's Statutory Directors.

In the most recent Tax Assurance Report issued by the ATO, ALDI received a Stage 3 Tax Risk Management and Governance rating, being the highest rating that can be achieved. This rating means that ALDI was able to demonstrate to the ATO that our tax control framework is designed effectively and is operating effectively in practice.

Our engagement with revenue authorities

ALDI focuses on fostering a strong and open relationship with the ATO and other relevant tax authorities. We aim to continue to maintain a positive and transparent working relationship with all tax authorities to enable an efficient and collaborative approach in dealing with tax matters.



Effective Tax Rate & Tax Reconciliations

Effective tax rate

The effective tax rate is the average rate at which a company is taxed. The effective tax rate is calculated by dividing the income tax expense by the accounting profit before tax.



In the 2023 financial year, ALDI's effective tax rate was 30.6%.

As illustrated in the below table, ALDI continues to pay tax in line with the Australian Corporate Tax Rate of 30%. This supports ALDI's commitment to paying its fair share of tax within Australia.

Year	Effective Tax Rate
2023	30.6%
2022	29.7%
2021	31.1%
2020	28.0%

Reconciliation of accounting profit to income tax expense and income tax payable

Calculation of the current year income tax payable includes both temporary and non-temporary differences.

Non-temporary differences are amounts that are recognised for either accounting purposes or tax purposes, but not both. In 2023 these mainly arise from accounting expenses that are not deductible for tax purposes.

Temporary differences arise where amounts are assessable or deductible under income tax law at a different time to when they are recognised under Australian Accounting Standards. In 2023, these mainly arise from differences in the timing of deductions for provisions, accrued expenses, and depreciation.

Reconciliation of ALDI's accounting profits to tax expense	2023 A\$m	2022 A\$m
Profits before income tax expense	585.3	257.8
At Australia's Corporate Tax Rate of 30%	175.6	77.4
Non-temporary differences		
Non-deductible expenses for income tax purposes	4.4	0.8
Unrecognised deductible temporary differences	(0.6)	-
Adjustment to tax expense relating to prior year	(0.5)	(1.7)
Income tax expense reported in the Income Statement	178.9	76.5

Reconciliation of ALDI's income expense to income tax payable	2023 A\$m	2022 A\$m
Income tax expense reported in the Income Statement	178.9	76.5
Reverse prior year adjustment to current tax expense	(0.9)	1.9
Current year tax expense movement on completion of income tax return	(2.4)	1.1
Movement of temporary differences	3.0	24.4
Current year Income Tax Payable¹	178.6	104.0

1. This represents the actual income tax paid to the ATO for 2022 and 2023

Reconciliation to ATO Tax Transparency Disclosures

The Australian Taxation Office (ATO) has published the following taxation information from ALDI Australia's 2022 income tax return as part of the annual Corporate Tax Transparency Disclosures. The data for the current year (2023) has not yet been released by the ATO.

Total Income	2022 A\$'m
Total income	10,859
Taxable Income	347
Income Tax Payable	104

Below is a reconciliation of the ATO Tax Transparency Disclosures to amounts set out above:

Reconciliation to accounting profits before income tax expense	2022 A\$'m
Total income as reported by the ATO	10,859
Total accounting expenses	(10,602)
Accounting profits before income tax expense	258

	2022 A\$'m
Taxable Income as reported by the ATO	347
At Australia's Corporate Tax Rate of 30%	
Income Tax Payable as reported by the ATO	104

Taxable income is calculated based on accounting profit before tax, adjusted for allowable tax temporary and non-temporary differences as provided for in the Australian tax legislation. The tax payable is then calculated at the corporate income tax rate of 30%.



International Related Party Dealings

ALDI Australia operates its business independently from the ALDI South Group in order to cater to local consumer tastes and market expectations.

Despite autonomy of local management, ALDI Australia has a number of international related party dealings with other entities in the ALDI South Group, including receiving services from overseas related parties which provide valuable ancillary support, which allows us to effectively execute our core functions.

Each year, ALDI Australia discloses its transactions with related parties in Part A of the Local File in lieu of the relevant questions in the International Dealings Schedule, both of which form part of the Income Tax Return reporting obligations.

The ALDI South Group seeks to conduct its international related party dealings at arm's length in order to meet the regulations of all relevant jurisdictions.



In 2023, the gross value of ALDI Australia's inbound and outbound related party transactions represented 1.7% of revenue.

ALDI Australia's material related party dealings in jurisdictions outside of Australia are summarised in the below table.

International Related Party Dealings

Transaction Type	Austria	Germany	China and Hong Kong
Procurement and sourcing services			✓
IT related services		✓	
Sourcing of inventory	✓		
Data analytics services		✓	
Management and administrative services	✓		
Treasury services	✓		

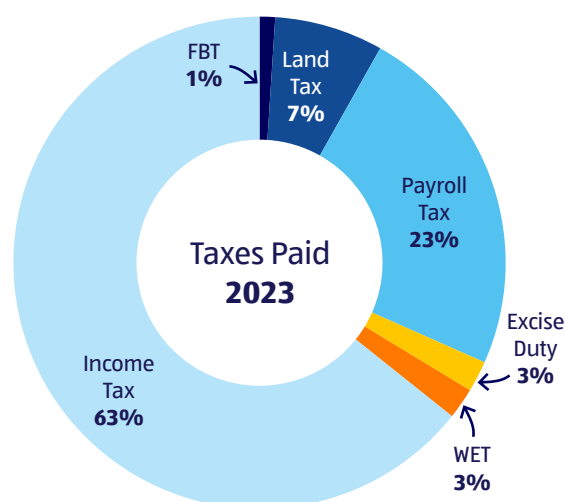
ALDI's Australian Tax Contribution

Taxes paid by ALDI

Within Australia, ALDI is subject to federal and state government taxes. This includes income tax, payroll tax, land tax, customs and excise duty, wine equalisation tax (WET), and fringe benefits tax.

Tax Type	2023 A\$m*	2022 A\$m*
Income Tax ¹	179	104
Customs and Excise Duty	10	9
Wine Equalisation Tax	9	10
Payroll Tax	66	52
Land Tax	20	18
Fringe Benefits Tax	3	2
Total	287	194

ALDI's largest tax contribution in 2023 was \$179m, relating to our Income Tax Expense, representing approximately 63% of all taxes borne by ALDI in the 2023 year.



*Percentages have been rounded for illustrative purposes.

Taxes collected by ALDI

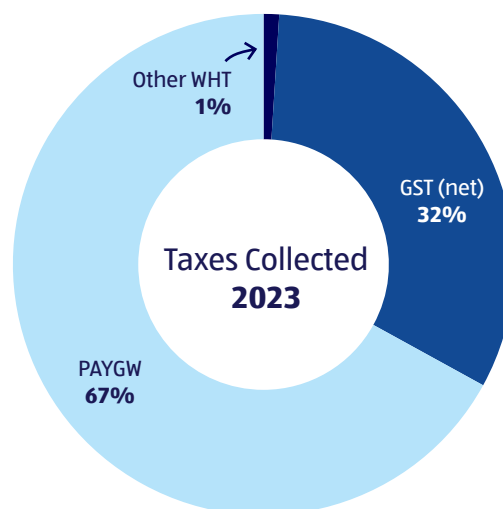
In 2023, ALDI collected and paid \$374m in taxes related to the following:

GST (net) - This represents the GST collected by ALDI on taxable supplies less the GST input tax credits claimed on creditable acquisitions.

Pay As You Go Withholding (PAYGW) - This relates to the PAYG tax that ALDI is required to withhold from employees' salaries.

Other Withholding Taxes (WHT) - This figure relates to the PAYG amounts that ALDI is required to withhold from interest and royalty payments.

Tax Type	2023 A\$m*	2022 A\$m*
GST (net)	119	102
PAYGW ²	254	219
Other WHT	1	1
Total	374	322



*Percentages have been rounded for illustrative purposes.



We will continue to support the Voluntary Tax Transparency Code to ensure that we are publicly disclosing information about our group's tax affairs.



This report is intended to assist the public in understanding our group's compliance with Australia's taxation laws.

*Note: Figures have been rounded to the nearest A\$m in the table above.

1. Tax paid for the year's Income Tax Return.

2. PAYGW is reported for the year 1 July to 30 June of the following year.

Independent Assurance Practitioner's Review Report

To the Directors of ALDI Australia

Conclusion

We have reviewed the tables and accompanying notes for the financial year ended 31 December 2023 presented on pages 6 and 9, and we have reviewed the tables and accompanying notes for the 2022 income tax year presented on page 7 of the Effective Tax Rate & Tax Reconciliations and ALDI's Australian Tax Contribution (collectively, "information subject to review") included in ALDI Australia's 2023 Tax Transparency Report ("Tax Transparency Report"), which comprises ALDI Pty Limited, ALDI Foods Pty Limited, their wholly owned subsidiaries, and ALDI Stores (A Limited Partnership) (collectively, "ALDI Australia" or the "Company").

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the information subject to review included in ALDI Australia's Tax Transparency Report for the year ended 31 December 2023 is not prepared in all material respects, in accordance with the Basis of Preparation described on page 4 to the Tax Transparency Report.

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to page 4 of the Tax Transparency Report which describes the Basis of Preparation. Management of the Company are responsible for determining the Basis of Preparation.

The information subject to review included in the Tax Transparency Report has been prepared by management to assist the Directors of ALDI Australia in disclosing certain information regarding Australian taxes paid, collected and remitted by ALDI Australia for the year ended 31 December 2023. As a result, the information subject to review and this Independent Assurance Practitioner's Review Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of the Company and should not be used by or distributed to parties other than the Directors of the Company. We disclaim any assumption of responsibility for any reliance on our report, or on the information subject to review included in the Tax Transparency Report to which it relates, to any person other than the Directors of the Company or for any other purpose than that for which it was prepared.

Responsibilities of Management for the Information Subject to Review

Management of the Company are responsible for:

- the preparation of the information subject to review in accordance with the Basis of Preparation and have determined that the Basis of Preparation described on page 4 of the Tax Transparency Report is appropriate to meet the needs of the Directors.
- such internal control as Management determine is necessary to enable the presentation of the Tax Transparency Report that is free from material misstatement; whether due to error or fraud.



The Directors of the Company are responsible for:

- taking all reasonable steps to ensure that the Company maintains written financial records that correctly record and explain the Company's transactions and financial position and performance with respect to the information subject to review.

Assurance Practitioner's responsibility for the review of the Information Subject to Review

Our responsibility is to express a conclusion on the information subject to review.

We conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* in order to conclude whether anything has come to our attention that causes us to believe that the information subject to review is not prepared in all material respects in accordance with the Basis of Preparation described on page 4 of the Tax Transparency Report. This Standard also requires us to comply with relevant ethical requirements.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Michelle Jobson
Partner
Sydney
3 December 2025



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